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ABSTRACT

This paper discusses some of the issues behind the current debate on merit pay for teachers. A brief history is presented of performance-based compensation systems. The difficulties in arriving at a consensus on a valid definition of merit pay are pointed out, and examples are presented of various merit plans, such as master teaching plans, career ladder programs, or systems for teacher ranking. Arguments for and against merit pay plans are considered, focusing on the two major issues of the validity of using money as a motivator, and complaints against evaluation processes. Counterproposals offered by critics of merit pay are outlined and include such suggestions as across-the-board pay increases for all teachers, improvement of the work environment, and public recognition for doing good work. Reasons for success and failure of merit pay plans are analyzed and a brief overview of the status of current performanced-based programs is presented. A description and comparison is given of three merit pay plans at the state level (Tennessee, Florida, and California) and three at the local level (Los Angeles, Houston, and Charlotte-Mecklenburg). Appendixes provide information on the effects of single salary and merit pay in achievement of educational goals, and the current status of merit pay programs in selected school systems. (JD)

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REWARDING TEACHERS: ISSUES AND INCENTIVES

July 1983

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Introduction

A major public debate is under way. In the wake of increasing criticism of educational standards and an alleged decline in teaching competence, educators, politicians, and the press have all joined in a discussion of the improvement of teacher quality. One frequently proposed solution is to base pay on performance, or to award "merit pay" as an incentive to attract, retain, and motivate teachers.

Never before has the question of rewards for exemplary teachers been of such interest to so many individuals. Three reports of recent national commissions on educational excellence recommend monetary incentives, and the President of the United States supports merit pay. A special Congressional committee is studying the issue, and the two major national teacher unions are softening their long-standing opposition and reviewing proposals for incentive programs. The public, according to recent opinion polls, favors having teachers' pay based on performance while many teachers firmly oppose the idea. Educators at all levels, including state departments of education, state and local boards of education, and local education agencies, are considering their positions on teachers' incentives.

This paper discusses some of the issues behind the debate, reviews representative teacher incentive programs, and draws some conclusions about them. Commissioned by the Maryland State Department of Education, the paper is a descriptive synthesis, intended to provide information to educators involved in planning and decision-making about rewards for teachers. As an introduction to the topic, several quotations regarding proposals for teachers' incentives from recent task forces on educational quality are presented on the next page.

Representative Task Force Recommendations on Teacher Quality

- *Salaries for the teaching profession should be increased and should be professionally competitive, market-sensitive, and performance-based. Salary, promotion, tenure, and retention decisions should be tied to an effective evaluation system that includes peer review so that superior teachers can be rewarded, average ones encouraged, and poor ones either improved or terminated.*

- *Master teachers should be involved in designing teacher preparation programs and in supervising teachers during their probationary years.*

(A Nation at Risk: The Imperative for Educational Refcrm, The National Commission on Excellence in Education)

- *States can provide for the certification of master teachers who can assist with in-service programs and induction programs for new teachers.*

- *Districts can adapt and implement programs being used successfully in industry to improve the quality of work life and to raise productivity.*

- *Districts can seek new ways to recognize outstanding teachers. One such method is to create positions of resource teachers and rotate master teachers into those positions.*

(The Quest for Excellence, New Jersey School Boards Association)

- *Express a new and higher regard for teachers and for the profession of teaching.*

We recommend that every state and every local school district--with the fullest participation of teachers themselves--drastically improve their methods of recruiting, training and paying teachers. This improvement should begin with schedules of teacher pay that are competitive with pay in other jobs and professions. It should include scholarships and other financial incentives to attract the most able people into teaching. It should feature financial incentives for teachers, keyed to differing responsibilities and to filling critical needs in certain subject areas.

We strongly recommend that each state create a "career ladder" for teachers that will help attract and keep outstanding teachers. There should be changing levels of responsibility, pay and status for teachers as they move through their careers.

- *Provide quality assurance in education*

We recommend that boards of education and higher education in each state--in cooperation with teachers and school administrators--put in place, as soon as possible, systems for fairly and objectively measuring the effectiveness of teachers and rewarding outstanding performance.

We strongly recommend that the states examine and tighten their procedures for selecting not only those who come into teaching, but also those who ultimately stay. Teachers who are having difficulty teaching--whether because of teaching style, subject-matter expertise, discipline or other problems--should be given all possible encouragement and help to improve.

(Action for Excellence, Task Force on Education for Economic Growth)

- *Financial incentives should be established to reward outstanding teachers and to facilitate recruitment and retention of highly talented and motivated individuals. A renewed focus on excellent teaching will help to restore the honor of the profession--an important intangible reward that has eroded in recent years.*

(Meeting the Need for Quality: Action in the South, Southern Regional Education Board)

- *The Maryland State Board of Education should create ranks for classroom teachers, with significantly different salary levels, in order to encourage superior teachers to remain in the classroom.*

(Draft Recommendations of the Commission on Quality Teaching, Maryland State Board of Education)

The Use of Performance-Based Pay as an Incentive*

On the surface, merit pay or a performance-based compensation system seems to be part of a simple, if controversial, issue. Teachers, advocates reason, perform an essential service to society; they should be paid what they are worth, and superior performance should be rewarded with extra pay. Despite its simple theoretical and logical appeal, the "pay for performance" issue is quite complex. In practice, performance-based pay plans have been defined and implemented in numerous ways. The tasks involved in the development and administration of such compensation systems are complicated, and over simplification of them has frequently led to problems resulting in the failure to adopt proposals or to discontinue plans in effect. This section presents the history and definition of performance-based compensation systems and discusses the arguments for and against them. It examines the reasons for the success and failure of such programs and briefly reviews the current status of them.

An Issue With a History

Merit pay is an issue with a history that has considerable impact on the current debate. Although several performance-based pay plans have been labeled as new, most schemes are hardly that. At one time, all teachers' compensation was effectively "merit pay" because teachers negotiated individually with a school district to determine their wages; there were no set salary schedules. Gradually, most school systems adopted standardized

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* Although performance-based or "merit pay" is not the only type of teacher incentive, it has until recently been the most commonly used.

salary schedules, partly in response to pressure to equalize the pay of elementary and secondary teachers. During World War I, a number of merit pay plans were discontinued because the average salaries of teachers in school systems using such remuneration fell below those that did not use merit pay. By 1940, most school systems had a standardized salary schedule. Interest in merit pay revived in the mid-1950's with several states considering or adopting legislation providing for performance-based pay. Merit pay use stabilized in the 1960's at about 10% of the school districts before declining in the early 1970's. A 1970 report* noted that 10 states had considered or carried out plans in the past 25 years. During the 1950's and 1960's, state task forces in North Carolina, Utah, Kentucky, and Tennessee studied the issue. In 1975, a Louisiana task force recommended that no statewide plan for merit plan be mandated, but encouraged individual school systems to operate them. Delaware, Florida, and New York legislated merit pay plans and abandoned them when they became unworkable.

Defining the Topic

An initial confusion about performance-based pay is its designation-"merit pay." Much controversy has arisen in the past over compensation schemes that have been labeled merit pay. The term has been used to refer to almost any arrangement in which a teacher has received additional pay for doing better work or performing different or additional tasks. Although the term merit pay is used by both advocates and critics of performance-based remuneration, it most frequently is employed by those who view it negatively. Promoters of the concept have tried to find new labels for the idea by refining definitions and differentiating between merit pay, merit ranking,

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* Love, H.E. An identification of merit pay factors. Ed. D. Dissertation, Auburn University, 1970.

merit recognition, and merit salary schedules, or by calling performance-based wages something entirely different, such as commendation increments, pay for superior or outstanding performance, or pay based on professional growth.

Performance-based pay is also sometimes embedded in plans for differentiated staffing entitled master teacher plans, career ladder programs, or systems for teacher ranking. Currently, it is these plans, ones that offer teachers an opportunity for career advancement both in terms of responsibility and compensation, that are most frequently promoted as incentive programs that will insure teacher quality. Advocates insist that master teacher plans, career ladder programs, and teacher ranking systems are intrinsically different from merit pay plans and are not subject to the pitfalls of merit pay. Critics, on the other hand, stress that any form of differentiated staffing is just another merit pay scheme subject to problems of subjective evaluation and administration; it is not an incentive for quality teaching.

The complexity of the performance-based pay issue (and the lack of common definition) is demonstrated by the examples of merit plans found in a survey by the Educational Research Service (ERS) in 1977-78.* The 115 merit pay plans reported fell into 11 different categories as shown in Table 1. Plans varied substantially (both within and between categories) in design and provisions for administration and evaluation.

In addition to the ERS categories of merit pay, three additional kinds of differential pay are discussed in the professional literature and public press as merit pay: extra pay awarded 1) for teaching under difficult

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* Educational Research Service. Merit pay for teachers. Arlington, Va.: Author, 1979.

Table 1

Categories of Merit Pay Plans as Reported by ERS*

Type of Plan	Example
General Board Policy/Contract Provisions	A broad statement such as: "additional increments for exceptional or meritorious performance may be granted upon recommendation of the administration and at the sole discretion of the Board of Education."
Percent Increases for Merit	"A payment of 2% for exemplary performance during the preceding school year [will be] based on the evaluation of criteria cooperatively developed by building principal and teacher pending guidelines cooperatively developed by teaching staff and administrators for district wide application."
Merit Longevity Pay	Longevity pay ($150 above maximum) based on professional growth available to teachers after 20 years of service.
Horizontal Advancement Based on Merit	Teachers advance to next track for consideration of service (instead of just educational requirements).
Ranges on Salary Schedule for Meritorious Service	A pay range available at each educational level. Placement in the range dependent on performance.
Double Increment/Honorarium for Meritorious Service	Teacher eligible for twice the increment normally given (for experience).
Supplemental Contract for Meritorious Service	$1000 a year in a supplemental contract.
Multiple Track Salary Plan (e.g., Career Ladders or Ranks for Teachers)	Three tracks for teachers (e.g., probationary, professional, outstanding).
Merit Pay for Conducting a Curricular Project	Extra pay for conducting a teacher-designed instructional improvement project.
Merit Increases Determined by a Point System	Points used in calculating salary awarded for education (20%) and for performance (80%).
Merit Bonus with Performance Criteria	Superior ratings of specific performance criteria in the following categories: teaching skills, classroom and school environment, communication, interpersonal relationships, and professional contributions.

*Categories from ERS. Merit pay for teachers, 1979.

conditions (i.e., "combat pay"), 2) for teaching in subject areas where there is a teacher shortage, such as science and math, and 3) for meeting organizational goals (e.g., better teacher attendance or high student achievement).

The label merit pay and the failure to distinguish accurately between the legitimate differences in incentive systems has fueled the controversy over the use of any performance-based or monetary incentive plan. Definitional issues have prevented consensus about the workability of teacher incentive plans and are likely to continue to cause problems in the future.

The Arguments For and Against

The affirmative and negative sides of the debate have stated their arguments in many forums over the years. Basically, proponents of performance-based pay view money as an incentive that encourages teachers to improve performance or maintain standards of excellence in teaching. They feel that single-salary schedules, by paying everyone the same amount, promote mediocrity. By rewarding teaching performance, advocates feel that the teaching profession will become competitive with other professions in the quest for competence and talent.

Critics argue that performance-based pay is more likely to produce morale problems than quality teaching. They claim that the evaluation processes used to determine merit pay are inherently unfair because good teaching cannot be objectively measured.* They believe that raising the

*It should be noted that these arguments for and against merit pay were made before research on effective schools and classrooms established criteria for judging teaching effectiveness that some might consider more objective.

salaries of all teachers, rather than just a few, is more likely to further educational goals than merit pay. Performance-based pay has been tried, claim critics, and it does not work.

Table 2 summarizes the arguments given for and against merit pay. The negative positions on merit pay are well developed, as the long list in Table 2 demonstrates. Some of them are worth discussing in more detail.

Money as a Motivator. A major criticism of merit pay is that money does not serve as a major incentive for good teaching. The evidence from the literature about pay as an incentive is inconclusive. Authors such as Casey (1979) argue that pay is a prime motivator for effective teaching, but the work of others would seem to question this. Lipsky and Barcharch (1982) state that extrinsic factors other than pay -- such as fringe benefits, job security, and career opportunities -- may be important factors. Lortie, in Schoolteacher (1975), reports that teachers rated extrinsic rewards less important than intrinsic (psychic) rewards such as "knowing that I have 'reached' students and they have learned." Sources of intrinsic satisfaction were consistently rated as much more important than extrinsic rewards. Sergiovanni (1967) found that teachers obtained their greatest satisfaction in reaching and affecting students; the second and third most important motivators were experiencing recognition, and feeling responsible.

Deci's (1976) work on the relationship of extrinsic and intrinsic rewards suggests that extrinsic rewards (including such considerations as fear of negative teacher evaluations) can push intrinsic rewards aside. Once workers begin to strive for extrinsic rewards, they tend to find the work itself less motivating, and seek ways to do it more easily rather than better. Unnecessary criticism becomes an extrinsic motivator, while praise and assistance serve to increase intrinsic motivation. Merit pay systems,

Table 2

Arguments For and Against Merit Pay

Affirmative
1. Monetary incentives motivate teachers to excel.
2. Monetary incentives help attract and retain good teachers.
3. Monetary incentives create conditions that are similar to other professions where professionals are paid what they are worth.
4. Monetary incentives keep teachers in the classroom rather than forcing them into administrative positions for more pay.
5. Merit pay programs set high educational expectations/standards.
6. Merit pay plans have been successful when properly developed.
7. The public is willing to support higher teaching salaries when they know salaries are tied to performance.
8. The majority of the public supports merit pay (as demonstrated by opinion polls).
9. Monetary incentives can be linked to career ladder concepts encouraging professional development.
Negative
1. In practice, merit plans have failed.
2. Monetary incentives create negative competition and morale problems in schools.
3. Teachers are not motivated by money.
4. Evaluation of performance consumes time and monetary resources that could be better used elsewhere.
5. Evaluation of teacher performance is subjective; the best teachers do not get the extra pay.
6. Monetary incentives stereotype teaching standards and do not encourage teaching creatively.
7. Monetary pay is self-perpetuating; the same teachers get the rewards year after year.
8. Merit pay creates administrative problems because parents do not want children in the classes of non-merit teachers.
9. Concentration on merit performance ratings may cause teachers to avoid other important educational objectives.
10. The correlation between good teaching and college preparation or experience is as great or greater than the correlation between good teaching and merit pay.
11. It is not possible to objectively evaluate good teaching with valid, reliable measures.
12. Quotas set for merit pay are often full, creating morale problems.
13. The majority of teachers do not favor merit pay.
14. Incompetent teachers are better eliminated by pre-service screening and proper supervision of beginning teachers than through merit pay plans.
15. The emphasis in a school system should be on helping all teachers to become better, rather than on rewarding a few teachers.
16. Merit pay is not favored by collective bargaining units.
17. Merit pay isolates teachers from administrators.
18. Rating some teachers superior harms the self-concepts of other teachers and may decrease their efforts in teaching.
19. Single salary schedules do more to further educational goals than does merit pay.

according to Deci, have flaws similar to those of criticism. They replace the intrinsic motivators of collegiality, sense of efficacy (support by administrators' comments), and individually-set performance standards with the extrinsic forces of competition, a judgmental administration, and external standards. Failure to obtain extrinsic rewards, Deci found, can decrease motivation more than success in obtaining the same rewards will increase motivation.

While the research findings on motivation are important to the development of teacher incentive programs, research on other topics must also be taken into account. There is some evidence that intrinsic motivation is no longer enough to retain competent teachers. For example, Schlecty and Vance (1981) have shown that it is the brighter teachers who are leaving the profession. As intrinsic rewards become harder to come by, it may be necessary to try extrinsic incentives as well (Sykes, 1983).

Difficulties in Evaluation. The most frequently mentioned complaint against performance-based incentive systems for teachers is an unfair evaluation process. Objections center around three major issues.

1. Criteria. What is superior teaching and how is it to be measured? Are there measurement instruments available that are valid and reliable?

2. Evaluators. Who is to do the evaluating, and how can it be insured that the activities in the classroom are perceived and interpreted accurately?

3. Purposes. Are the evaluation results intended to improve instruction, or to reward or punish the teachers?

These three issues are discussed below.

The criteria. Because there is little agreement on what qualities constitute exemplary teaching, there is little consensus on whether or not superior teaching can accurately be measured. Researchers have encountered

so many problems in evaluating teachers that some feel it is not a productive area of inquiry. Although research in the area of teaching effectiveness does suggest that some teaching behaviors (such as academic learning time, direct instruction, and good classroom management) increase student achievement, the research is not conclusive and is not widely used in teacher evaluation. The question of what to measure depends on who is asked.

The question of how teaching should be measured also leads to disagreement. Research has shown that observation techniques, even when used by trained persons who are conscientious about their task, produce inconsistent results. It has been well documented that different observers have give the same teacher a wide range of ratings. To the teacher, observation frequently appears to be subjective.

One avenue of teacher evaluation that is being used by or proposed by several states (and local districts) to evaluate beginning teachers is a performance assessment of specific competencies through carefully constructed measures, such as Georgia's Teacher Performance Assessment Instrument (TPAI). The TPAI measures 14 teaching competencies related to classroom procedures, interpersonal skills, and teacher developed materials through observation, review of materials, and interview. Statistical interpretations of the data gathered with the TPAI are used to determine a teacher's strengths and weaknesses. Feedback from the assessment is used to improve teaching performance. Three states (Georgia, Oklahoma, and Florida) are currently using performance tests for certification, and two others (South Carolina and Arizona) are field-testing performance instruments this year.

Advocates of such performance appraisal systems feel that these measures offer an objective (and reliable and valid) means of judging teaching competency. They stress the level of effort and expertise that has gone into instrument development and the training of those who assess teachers. They feel that this type of performance evaluation should be used to evaluate all teachers and can be used to identify those who deserve rewards.

Critics of the assessment of performance competencies argue that the value of such systems has not been proven and point out that creation of an instrument does not guarantee that the right teacher qualities are being measured. Such systems, maintain critics, force teachers to instruct in standardized ways, erasing teacher creativity. If performance-based incentive systems are to be successful, teachers and evaluators must agree on the qualities that comprise good teaching, and also on how such characteristics are best measured.

The evaluators. Teachers are very concerned about who evaluates them. Obviously, evaluators should be fair and trained in evaluation methods; however, teachers also want evaluators who are intimately acquainted with classroom activities and problems. Teachers frequently complain about administrators or outsiders (e.g. higher education professors) who may not interpret accurately what they see in the classroom. Such persons, they feel, are not qualified to evaluate teaching because they are too far removed from the classroom. An approach that seems promising is the use of teams composed of administrators and teachers who are well-trained and are from more than one school. In some places, the evaluators (or a percentage of them) are chosen by the local collective bargaining group. Some individuals maintain that peer assessment is the only kind of evaluation that will

be fully accepted by teachers. It has worked well in higher education and should be extended to public schools at the lower levels, they insist.

The purposes. Teachers are most likely to accept the need for evaluation when it is used to help them to improve their instruction as well as to reward or punish them. The clinical supervision concept, in which a supervisor acting in a collegial manner supplies ongoing feedback on teaching behavior and provides suggestions for instructional improvement, is an approach to supervision and evaluation that many teachers accept. Such an assessment approach has been tied to the use of performance competencies in Oklahoma's Entry-Year Assistance Program. In this program, a committee observes the beginning teacher using a standardized instrument and offers suggestions for instructional improvement. At the end of the year, the committee considers the teacher's progress and recommends either certification or another year in the program. A similar concept of ongoing evaluation and support is part of the Charlotte-Mecklenburg (N.C.) district's Career Development Program. The evaluation process used as part of an incentive system must be accepted as fair by both teachers and administrators if it is to work. Both interests should be represented during the development of a teacher evaluation process.

Counterproposals

Critics of performance-based pay have offered counterproposals to improve the quality of teaching including: 1) across-the-board pay raises for teachers, 2) improvement in the quality of worklife for teachers, and 3) non-monetary incentives such as public recognition.

Many educators, backed by their teacher organizations, advocate substantial pay increases (e.g., $6,000-$8,000) for all teachers. The average teaching salary is about $20,000 and salaries corrected for inflation have

not increased since 1970. Educators feel that if teaching salaries were equivalent to wages in comparable jobs in other professions or businesses, then school systems could attract and retain competent individuals. They maintain that the single salary schedule, now in place in most school districts, is the best compensation method because it does not require subjective judgments in its administration. Lipsky and Bacharach (1982) in a paper written for the National Education Association, The Single Salary Schedule Vs. Merit Pay, argue that a single salary schedule, although not without fault, does a better job than merit pay of meeting the educational goals of cost-effectiveness, quality teaching, administrative efficiency, and harmonious teacher-administrator relations. They present several interesting points in their discussion. For example: 1) The single salary schedule does reward performance (if indirectly) because teachers generally do become more competent with experience. 2) The single salary schedule has mitigated, rather than accelerated, the decline in academic achievement by rewarding teacher experience and educational attainment. 3) Teacher performance evaluation is so imprecise, teachers have only the vaguest idea of what they are being rewarded for and therefore merit pay will not reinforce desired behavior. A summary of their analysis of the advantage of the single salary schedule is presented in Appendix A.

What was rewarding in the past is harder to come by, according to some, with current school conditions. The indifference that many adolescents feel toward schools and teachers and the problems of urban schools overshadow or erase intrinsic rewards. The time has come, claims Sykes (1982), for new incentives including the selective application of performance-based pay.

Another counterproposal to merit pay is the bettering of school conditions. Improving the quality of worklife, it is argued, will go a long way in keeping good teachers. The quality of worklife for teachers is often mentioned as a problem. Cooke, Kornbluh, and Abramis (1982) found that the quality of worklife was lower for teachers than for other workers. Teacher stress, burnout, and dissatisfaction are well publicized concerns. Dealing with quality of work-life problems might make teaching careers more attractive to competent teachers.

Also mentioned as an incentive that will make teaching careers more rewarding is public recognition for doing a good job. There is no lack of evidence to show that teachers feel their efforts are going unnoticed by the public. Whether or not an ongoing program of public appreciation would make the difference in attracting and retaining competent teachers has not been researched, but, it costs little, say advocates, and it is worth trying.

Recognition may be more effective as an incentive especially when it is combined with a monetary reward. The Northside Independent School District of San Antonio, Texas, enthusiastically supports such an idea. Three states have policies for recognizing outstanding teachers, but the public recognition provided by them seems rather minimal--not enough to make a difference in the careers of very many teachers.

Reasons for Success and Failure of Performance-Based Pay

There are few studies examining why performance-based plans succeed or fail. An ERS survey in 1979 found that merit programs were successful in systems where there was cooperation between teachers and administrators. Successful plans were flexible, allowing for change, and financially sound

with provisions for increments that were large enough to provide real incentives for outstanding teaching. They were guided by strong, dynamic leadership. Table 3 presents in more detail reasons for the success of merit plans. For example, the table considers 1) prerequisite criteria such as the plan's objective, input for development, and lack of quotas; 2) the evaluation process including standards, the evaluator, and training; and 3) finances including size of increment and cost of plans.

There is considerable evidence to show that merit pay plans have failed at different times and in different places for similar reasons, such as a detrimental effect on morale, difficulties in administration, and evaluation problems. In 1973, Rhodes listed 12 basic flaws of such compensation plans for a merit pay clinic sponsored by the New York State School Boards Association. These reasons are frequently mentioned in the literature as causes for failure of performance-based pay.

- Insufficient discrimination among teachers.
- Artificial cutoffs on the number who could receive merit recognition, thus sometimes arbitrarily denying recognition to deserving teachers.
- Poor evaluators.
- Mistaken concepts by board members and administrators, often causing severe problems.
- Lack of clearly understood goals.
- Lack of clear definition of the job.
- Lack of priorities in the job. Teachers, unless they are given help, often become bogged down in less important aspects of their work. A good merit plan should help to direct teachers toward the primary goals.
- Lack of effective evaluation instruments. Many teacher evaluation instruments are too simple in their structure and invite a subjective approach which naturally breeds concern among teachers.

Table 3

Why Merit Pay Programs Succeed*

Prerequisite Criteria

1. The primary objective of any merit plan must be to improve instruction. A merit pay plan cannot be used to penalize poor or unsatisfactory teachers or be based on popularity. It is most important that the administration clearly articulate this philosophy and that everyone affected by the plan understand it.

2. Input for developing the plan should come from many sources, including teachers, administrators, the school board, and the community. The plan will not work effectively if it is not accepted and supported in advance by those people it directly affects. Past practice has shown that attempts to mandate a merit pay plan upon teachers, by either local or legislative action, have failed completely.

3. An atmosphere of confidence, respect, honesty, and trust must exist among the persons involved in the plan.

4. There should be no discrepancies between administrative practices and the principle of merit. Administrators must give the plan high priority.

5. Before the plan is actually begun, thorough research is necessary to pinpoint problem areas that have hampered or defeated merit pay plans in other school systems. However, no plan can be fully adopted from another school system; it must reflect the prevailing conditions unique to the local system.

6. There should be no limit to the number of "meritorious" teachers in the school system. Eligibility for the plan must based on recognized predetermined standards, not on artificially established quotas or percentages. A teacher should be allowed to receive merit pay at any time during his or her career.

7. The plan must be evaluated continually, so that problem areas can be identified and corrected and new features can be added to the program.

8. Problems inherent in establishing a merit pay program take time to identify, discuss, and resolve. Those involved in this process should recognize this fact and proceed slowly.

9. Provisions should be made for continuing the plan from year-to-year. When merit pay is awarded one year and not the next, staff morale and confidence in the program will deteriorate.

10. After the plan has been in operation, its rationale and applications should be carefully explained to teachers new to the school system.

11. After the plan has begun, the role of the board of education as policy maker is finished. Many merit plans have failed because of board interference with the operation of the plan or second-guessing the decisions of its administrators.

The Evaluation Process

1. Evaluation standards chosen to distinguish superior teachers from average teachers must be applied objectively and reflect what actually takes place in the classroom. Teachers should know the criteria that will be used in their evaluation. Teachers should not be rated against the performance of others.

2. Merit rating should be carried out continuously, by a team of evaluators, rather than irregularly, by a single evaluator. A group approach lessens the chance for bias. Such a team could be composed at the building level of the principal, a

Table 3 (con't)

supervisor, and three veteran teachers. Others prefer to have trained observers code information on teaching performance rather than make qualitative judgments.

3. Teachers must have confidence in the impartiality and competence of the evaluators.

4. One criterion for assessing merit, pupil achievement, should be measured objectively each year by means of standardized achievement tests administered and correlated by the school system's guidance department.

5. The administrative and supervisory staff should be adequately trained for their duties under the merit program. Skill in applying the rating instrument fairly and similarly can be gained through workshops and actual practice. The results then should be analyzed to determine which adjustments in the methods of applying the evaluation instrument need to be made.

6. The evaluation results obtained through observation should be related in a statistically valid method to the established standards of qualification.

7. Follow-up conferences with teachers after the evaluations take place are vital to the success of the program, if the real goal is to improve the quality of instruction. Teachers should be encouraged to review their file with someone who is involved with the merit pay plan but not in making salary decisions.

8. Enough time and adequate staffing should be provided to allow for complete merit evaluations. Merit rating will increase the workloads of both professional and support staff.

9. Superior merit evaluations should be valid for one year and extend only through a re-evaluation the next year.

10. Merit rating should not be a one-way process--administrators who participate in teacher evaluation also should be rated according to established standards. Administrative accountability calls for those doing the rating to realize that how well they evaluate teachers serves as a basis for their own evaluations.

11. In all cases, avenues for teacher appeal on merit ratings should be provided.

Financing the Plan

1. The basic salary schedule must be sound if a merit pay program is to succeed. Salaries must be competitive with those being offered in neighboring school systems.

2. Most school systems which have implemented merit pay plans have based teacher salary increases on other factors, such as academic preparation and years of experience, in addition to merit.

3. Merit increments awarded to superior teachers must be large enough to provide a real incentive for outstanding service.

4. School management must realize that a good merit pay plan will not be a money-saving device but will cost more than a regular salary schedule. Besides the merit increments themselves, there will be additional administrative costs, put at an extra 18 percent of payroll by one estimate.

5. Enough money must be provided for the plan if it is to operate as intended. Because a merit pay program is an extra expense, the cost-benefit aspects must be considered fully.

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*ERS. Merit pay for teachers, 1979.

- Inability to measure results. Most merit systems look at the way a teacher acts, rather than the results the teacher produces.
- Inability to translate evaluation into improved instruction.
- Inadequate financial incentives.
- Too limited a concept of merit. If only a few teachers are to gain recognition or any type of salary advancement from a merit plan, obviously the plan will not be popular with the majority of teachers. There must, therefore, be more elements to bring in more teachers if the plan is to do the job it is intended to do--encourage teachers to improve themselves and improve the instructional program.

In 1961, the NEA Research Division surveyed school districts to discover why they discontinued merit pay programs. The most frequently reported reasons mentioned were unsatisfactory evaluation processes and the dissension caused by the plans. Results of the survey are shown in Appendix B. In an ERS 1977-1978 survey, 96 districts reported dropping their merit plans due to administrative problems, 92 districts due to personnel problems, 43 districts due to collective bargaining, 40 because of financial problems, and 14 for various other reasons. Each of these reasons for discontinuing a merit plan is further explained in Appendix C.

The Status of Performance-Based Programs

The most recent survey by ERS of school districts using merit pay was conducted in 1977-78. ERS surveyed all U.S. school districts with an enrollment of 300 or more students; 2,848 usable replies were received. Of that number, 115 (4.0%) had merit pay plans, 135 (4.7%) were considering instituting a plan, and 183 (6.4%) had plans in the past but had discontinued them. Most of the school districts reporting the use of merit plans were small. The majority of them had been in existence less than five years. Appendices D and E show the enrollment and size of districts having

merit pay plans in 1977-78. At the time of the survey, 16 states, including Maryland, failed to report any districts with merit pay plans. (Montgomery County schools had one from 1959-1964.)

Currently, there is renewed interest in merit pay and teacher incentive plans in at least three states, Tennessee, Florida, and California. In California and Florida, legislation has been passed and is waiting the governors' signatures and implementation. Dozens of municipalities, both large and small, are also designing teacher incentive programs. With the political spotlight on merit pay and a national debate on educational quality, it is likely that increasing numbers of school districts will consider performance-based pay during the coming year.

Examples of Teacher Incentive Program

As an increasing amount of attention is focused on the teacher quality crisis, both state legislatures and local education agencies have begun to consider the question of incentive programs. Some have developed plans which have received national attention. In the following section, three plans at the state level (i.e., Tennessee, Florida, and California) and three at the local level (i.e., Los Angeles, Houston, and Charlotte-Mecklenburg) are described and compared. Four of these incentive plans (i.e., Tennessee, Florida, California, and Charlotte-Meckenburg) are proposals or in the development stage.* Only two programs (i.e., Los Angeles and Houston) actually have been implemented. The six programs were chosen because they have unique designs or are representative of what is being tried in other locations.

Tennessee

Legislation for a Master Teacher Program has been proposed in Tennessee. The plan, part of a ten-point Better Schools Program, creates four career stages for teachers: Apprentice, Professional, Senior, and Master Teacher. Each stage has a five-year license. Across-the-board increases of 20% for all teachers have also been suggested. The Tennessee plan has received wide publicity, in part due to the active support of the governor, Lamar Alexander. The proposal has bipartisan support in the

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* For this reason, some details about them may later turn out to be inaccurate as proposals continue to be developed or implemented. They are comparable only in general terms.

state legislature and opinion polls show that the public favors the concept. The Tennessee Education Association has major objections to the plan and has prevented consideration of the idea in the legislature until next year.

Candidates for Apprentice Teacher status must graduate from an approved teacher education program and pass the National Teachers Examination. Apprentice Teachers serve from three to five years at this stage during which they are regularly observed, evaluated, and counseled by experienced Senior and Master Teachers. At the end of their third, fourth, or fifth year, Apprentices may apply for Professional Teacher status. At this time, they are evaluated by a team of Master Teachers from outside the district. The team bases their recommendation on their observations, a review of inservice participation and professional development, an interview, and, in some cases, a subject matter test. At the end of five years, an Apprentice Teacher must either become a Professional Teacher or lose certification.

Professional Teachers receive a $1,000 state-funded pay supplement. They are evaluated at least every five years, by members of a State Certification Commission. Evaluations are based on supervisors' and principals' assessments, student performance, and observations by Master Teachers. Professional Teachers must serve at least three years at that level before becoming eligible for a Senior Teacher certificate.

Senior Teachers may have either 10-month or 11-month contracts for which they receive pay increases of $2,000 or $4,000, respectively. They assume increased responsibility. All currently employed teachers with at least eight years of experience may apply for the Senior Teacher level. Senior Teacher certificates are renewable every five years with additional

evaluations by the State Commission based on a review of their professional experience, student performance records, and observations by Master Teachers. After a minimum of five years at the Senior Teacher level, a teacher may apply for a Master Teacher position.

Master Teachers would have 10-, 11-, or 12-month contracts with state-funded pay supplements of $3,000, $5,000, or $7,000. During the transition from the current licensing system, any teacher with 12 years of experience may apply for a Master Teacher position. After the new plan is in effect, teachers need five years of experience at the Senior Teacher level before becoming a Master Teacher. Master Teachers have substantially increased responsibilities, including inservice education, assisting apprentice teachers, curriculum leadership, teacher coordination, and system-wide supervisory and curriculum specialist activities.

Tennessee's educational improvement plan calls for similar career levels for principals and supervisors. While all new teachers would be included in the Master Teacher Program, it would be voluntary for those now employed. They could even try the program and leave if they did not like it. An appeal process is available for those that are turned down for certification at a higher level. It is estimated that 87% of currently employed teachers would receive pay supplements at an annual cost of $116 million.

Several objections have been raised during discussions of this plan, including:

- Quotas on the number of Senior and Master Teachers for which a district will receive state funding (25% of total teachers at Senior Teacher level and 10% at the Master Teacher level)
- Inadequate preparation for the evaluation process

- Morale problems that will occur because of quotas and evaluation
- No state university involvement.

Florida

Legislation has been passed in Florida's legislature for a Master Teacher Plan, and has been signed by the Governor (July 1983). Across-the-board salary increases of 5-7% for all teachers have been provided. Florida's plan creates two teaching levels in addition to the "regular" teachers: Associate Master Teacher and Master Teacher.

Associate Master Teachers are required to have four years of teaching experience, outstanding attendance, and a Master's degree in their field. They must pass a subject-area comprehensive examination and a performance evaluation by a district-level committee composed of a principal, a teacher, and another professional from outside the district. Associate Master Teachers will receive a pay increase ($3,000 has been recommended) beginning in 1984-85. About 3% of the state's 65,000 teachers will be eligible.

Master Teachers need a Master's degree plus 15 credit hours and must have seven years teaching experience, three of which were as an Associate Master Teacher. They also must have outstanding attendance. Master Teachers are selected in a manner similar to the Associate Master Teachers and receive a pay increase ($5,000 has been recommended) for assuming additional duties. It is estimated that approximately 1% of Florida's teachers are eligible for this career level. A Legislative Council has been given the responsibility for developing and implementing the plan. They will probably use the Florida Performance Measurement System, an observational

instrument now under development, for judging teacher job skills. Master Teacher and Associate Master Teacher awards are made for a three-year period.

The Florida legislation also provides for supplemental pay awards through local districts. Monetary awards may be given for outstanding attendance, to teachers in critical shortage areas (e.g., disadvantaged districts, or math and science), for outstanding postgraduate education achievement, for superior student performance, for superior performance appraisal, and in high priority state policy areas. The following general eligibility criteria for awards are suggested: outstanding annual evaluation, one year of experience, full-time employment, regular teaching certificate, and ten semester hours of coursework beyond the bachelor's degree. Awards are made on an annual basis. Local districts will devise specific criteria for awards and a state-level Quality Instruction Incentives Council will review and approve their proposals. State monies will fund them.

In the state-level plan, $1 million in start-up funds will be available to the merit pay council and for system development. An additional $1 million will be set aside for training principals. It is estimated that approximately $60 million will be needed when the plan is initially operational in 1984-85.

Florida's Master Teacher Plan has received conditional support from the state's AFT affiliate, but is opposed by the state NEA affiliate.

California

California's general education reform bill, now being written, provides for a teacher incentive plan. This bill creates the elective opportunity for local school districts to participate in a Mentor Teacher Program starting in 1984. Up to 5% of a school district's teaching staff can be

designated Mentor Teachers and receive a pay supplement of up to $4,000. Teachers may receive this award for three consecutive years before being renominated and reevaluated.

Mentor Teachers must: 1) be credentialed classroom teachers with permanent status, 2) have substantial recent classroom instructional experience, and 3) demonstrate exemplary teaching ability as indicated by such qualities as effective communication, subject matter knowledge, and mastery of a range of teaching strategies for meeting students' needs.

Mentor Teachers are selected by local nominating and screening committees made up of a majority of teachers and administrators. The group must consider the recommendations of parents, students, or community members when identifying Mentor Teachers and is required to observe the teaching of Mentor Teacher candidates before making its decisions. Although Mentor Teachers have substantial additional responsibilities in staff and curriculum development and in assisting beginning and experienced teachers, they are required to spend at least 60% of their time in the classroom. Mentor Teachers will not evaluate other teachers. The implementation cost for the Mentor Teacher program, targeted for the 1983-84 school year, is $7-12 million.

It is not at all certain the Governor will sign the education reform bill to which the Mentor Teacher provision is attached because he objects to its funding provisions and does not think it goes far enough in assuring educational change.

Los Angeles

During the 1982-83 school year, the School District of Los Angeles implemented a Master Teacher Program. About 700 of the district's 32,000 teachers applied and 200 were chosen for the program. A Master Teacher is

defined as a skilled educator who has demonstrated unusual talent in providing instructional opportunities to students. Teachers apply for the Master Teacher position. They are evaluated by a selection committee comprised of a director of instruction, a principal, a parent, and a teacher. Candidates are observed and rated for their teaching success and ability to work well with students and colleagues. General evaluation criteria are suggested in the following areas: training and experience, professional growth and activity, human relation skills, experience in grade level or department functions, and leadership potential.

Master Teachers are required to perform extra duties such as assisting other teachers in instructional improvement or leading professional development activities. Substitute teachers are provided for up to ten days a year so Master Teachers can attend to their additional responsibilities. A stipend of $1,008 is awarded.

Support for the program is mixed. Although the teachers have strongly endorsed the program when asked, and there have been no formal grievances filed over the program, in some schools not one teacher has opted to participate.

The program was funded during its first year with $800,000. Despite other financial cut-backs, the school board will continue to fund the program in the coming year.

Houston

The Houston Independent School District has operated a differential pay plan called the Second Mile Plan for the past four years. This plan was developed to address four issues of concern to the district: improvement of instruction, staff stability in urban schools, teacher shortages, and teaching as a rewarding career.

Participation is voluntary and teachers must apply to be considered. To be eligible, seven requirements must be fulfilled. Teachers must: 1) hold a valid teaching certificate or permit appropriate to the teaching assignment, 2) be assigned to a school or instructional site, 3) be a certified teacher with a bachelor's, Master's, or doctoral degree, 4) have an acceptable rating on their most recent evaluation, 5) have five or fewer days of absence (averaged over three years), 6) have no unexcused absences, and 7) be a full-time teacher, nurse, learning resources specialist, or part-time teacher whose only assignment is as a part-time teacher.

There are six categories that qualify for incentive pay and teachers may receive incentive pay in more than one category. The categories and stipends are listed below.

Category	Stipend
High Priority Location (Concentration of disadvantaged students)	$2,000
Critical Staff Shortage:	
Math	$2,000
Science	$2,500
Special Education	$700-1,000
Bilingual	$2,000
Outstanding Teacher Attendance (Based on 0-5 days of absence)	$50-500
Professional Growth (Successful completion of college courses or inservice in curriculum, instruction, or reading, or subject areas of critical shortage)	$150/36 hr. inservice $300-400/ 6 hr. course-work
Outstanding Educational Progress (Schools with better than average rates of student achievement)	$800-1200
Unique Campus Assignments (Where student test data are not available)	$450-750

The school district reports favorable outcomes for its incentive program with decreased teacher shortages and absenteeism, and increased student achievement. During the first year, two-thirds of all teachers collected stipends. The number participating decreased, however, in later years due to a stiffer attendance requirement. In 1981-82, 9,528 stipends (not individuals) were awarded at a cost of $6,852,926, and an estimated $11 million was spent in the 1982-83 school year.

The plan has been revised each year in response to suggestions from teachers and administrators. Changes include altering the means of judging student achievement and calculating minimum attendance; increasing stipends; and adding, modifying, and dropping stipend categories. Teacher organizations have gone on record as opposing the Second Mile Plan, but more than half of the teachers, when asked in 1981, approved the continuation of the plan. There is no organized teacher union opposition because Texas does not permit collective bargaining by teachers.

Charlotte-Mecklenburg

The Charlotte-Mecklenburg (N.C.) School District has proposed a career ladder teacher incentive program called the Career Development Plan. The plan is based on a new tenure structure. A recently passed state bill exempts the district from the state tenure law. The teacher probationary period has 3 levels (Probationary Teacher, Career Nominee, and Career Candidate) and lasts from four to six years depending on how quickly the teacher can master required competencies. During probation, teachers have to complete inservice requirements equivalent to those for a Master's degree. District staff development activities are designed to develop a variety of professional skills. Throughout the probationary period a

committee consisting of administrators and teachers continually evaluates the teacher. Teachers who are not tenured in six years have to leave the system.

Tenured teachers are eligible for Career Level I. In this position, teachers have such additional responsibilities as reviewing new materials being considered for classroom use and evaluating probationary teachers. Career Level I teachers are continuously evaluated by administrators from the home school and other schools in the district, and receive an "evaluation summary" every three to five years. Each time teachers pass an evaluation they win a $2,000 salary increase. The majority of the teachers are expected to be in this classification.

After three years at Career Level I, teachers are eligible for Career Level II if they show "outstanding ability in the classroom." In this classification, teachers might be asked to serve as "trouble shooters" for the system and may have to transfer from school to school as their skills are needed. They also assume additional assignments such as drafting classroom research projects or formulating staff development activities. Level II teachers have a starting salary about $2,000 higher than Level I teachers and can expect additional increases after successful evaluations.

After three years at Career Level II, teachers may apply for Career Level III. At this level, some teachers might work mainly as curriculum specialists, area coordinators, or inservice specialists with less time spent as classroom teachers. Others, if interested, may continue to spend most of their time in the classroom. All Level III teachers must be able to organize and manage research projects. The salary schedule begins approximately $2,000 above Level II and additional awards are made after successful evaluations.

Details of the evaluation process have not been worked out completely. At the probationary levels, teacher competencies will be heavily emphasized. After reaching Career Level I, teachers are expected to have needed competencies, and thus, evaluations will look at teacher performance factors that are linked to the achievement of district educational goals. Observation reports as well as products of teaching performance (e.g., tests or other materials, student achievement scores) will be reviewed during the evaluation process.

The Career Development Plan proposal has broad community support and has been officially endorsed by the local AFT affiliate and approved, in concept, by the local NEA organization. The plan will require a ten percent school budget increase and costs may be underestimated. The plan may take as long as 15 years to implement.

Summary

The six incentive programs described above present varied solutions to the issue of providing teachers with incentives. While each has unique features, some comparisons can be made. Houston's Second Mile Plan and the provision in the Florida Plan for local awards both provide rewards that are based on organizational goals rather than directly on teaching performance. Five plans (all except Houston) are teacher ranking systems which attempt to provide a career ladder with increased pay and responsibility. Assessment of teaching performance is crucial to advancement in each of the career ladder plans, and the criticism that evaluation plans are vague is applicable to each of them.* Two plans are tied to regulatory requirements: Charlotte-Mecklenburg's Career Development Plan includes tenure decisions

* At least at this point in their development.

and Tennessee's Master Teacher Program is linked to state certification. They all are similar in that they have been designed for large scale implementation.

In the past, most teacher incentive schemes have been tried in smaller communities. The plans reviewed here require large-scale implementation. Only one program, Houston's Second Mile Plan, has been in operation long enough to have proved its success. The strengths and weaknesses of the others will be apparent only after the programs have been in effect long enough to judge their results. Tables 4 and 5 which follow provide a means of comparing the plans on the dimensions of incentives, requirements, evaluations, costs, strengths, and criticisms.

Table 4 - A Comparison of Teacher Incentive Plans
(State)

Name	Description	Incentive	Requirements	Evaluation	Cost	Strengths	Criticisms
Master Teacher Program Tennessee)	• Four teacher levels: Apprentice, Professional, Senior, and Master with advancement based on performance	• Career ladder • Monetary award: Apprentice, regular contracted salary, Professional-$1000 bonus, Senior-$2000-$4000 bonus, Master-$3000-$7000 bonus	• Apprentice: graduate from teacher program • Professional: 3-5 yrs. experience at Apprentice level and performance evaluation • Senior: 3 yrs. experience at Professional level and performance evaluation • Master: 3 yrs. at Senior level and performance evaluation	• Review of classroom performance and student achievement • By master teacher, local administrators, and state certification committee	• $16 -il. est. • State sales tax increase	• Career ladder • Sizable pay increments • Includes teachers in evaluation process • Has dynamic leadership from Governor • Right to appeal	• Establishes quotas • Vague evaluation plans • Senior and Master Teachers spend too much time out of classroom with other duties • No state university involvement in development • No formal higher education requirements for advancement • High cost
Master Teacher Plan (Florida)	• Two levels of teachers (in addition to "regular" teachers): Associate Master, and Master Teacher with advancement based on education, subject exam, and performance • Differentiated responsibility • Local awards reflecting organization goals	• Career ladder • Monetary award: Associate Master-($3000 recommended) Master- ($5000 recommended) • Local awards of a sum determined by school district	• Associate Master - M.A. degree, 4 yrs. experience, performance evaluation, subject exam, attendance • Master: M.A. + 15 credit hrs., 3 yrs. experience as Associate, performance evaluation, attendance • For local awards - general requirements including outstanding annual evaluation, 1 yr. experience, certificate, 10 hrs. coursework	• Performance evaluation • Subject exam • By teacher, principal, and subject expert • Local awards - establish criteria and process locally, reviewed by state commission	• $60 mil. + est. • State corp. tax increase	• Career Ladder • Sizable pay increases • Uses both educational and performance criteria • Two kinds of awards: those based on performance and those based on local organizational goals and need • Includes teachers in evaluation process • Includes money for training principals and other evaluators	• Establishes quotas • Vague evaluation plans • Guidelines for implementation not fully developed
Mentor Teacher Program (California	• Mentor Teacher classification • Selected at local district level	• Career ladder • Monetary award of $4000	• Outstanding performance and substantial recent experience	• Based on local criteria (which at least include observation) • By a screening and nominating committee comprised of a majority of teachers and includes administrators	• $7-12 mil. est.	• Major decisions made locally • A majority of teachers on evaluation team • Sizable pay increment • Easy to administer	• Establishes quotas • Vague evaluation criteria • Too many decisions made locally--dilutes impact • Has only one additional career level • Mentor Teacher spends too much time out of classroom

Table 3 - A Comparison of Teacher Incentive Plans
(Local District)

Name	Description	Incentive	Requirements	Evaluation	Cost	Strengths	Criticisms
Master Teacher (Los Angeles)	• Master Teacher classification	• Career advancement • Differentiated responsibility	• Permanent teaching status and performance evaluation	• Observation and review of professional development • By selection committee: director of instruction, principal, parent, and teacher	• $800,000 (includes money for substitutes)	• Simple to administer • Low cost • Teachers as evaluators	• Quota established • Subject to criticisms of "merit pay" • Evaluation criteria vague • Pay increment too low
Second Mile Plan (Houston)	• Differential pay to further organizational goals	• $50 - $2000 in six categories: priority location, staff shortage areas, attendance, professional growth, student progress and campus assignment • Teachers may qualify in more than one category	• Teacher cert. • Assigned to a site • BA degree or + • Good evaluation • Absent less than 5 days • No unexcused absence • Full-time prof., or part-time teaching assign.	• None required, only interpretation of requirements	• $11 mil.	• No quota • No additional resources used in evaluation • Not opposed by teacher organization • Flexible, changes made to meet needs • Receptive to teacher concerns and input • Directly reflects organizational goals • Simple to administer • Has successfully operated for four years	• Does not reward effort or exceptional competence • Some awards are too low • No career ladder • Teachers object to award for student achievement
Career Development Plan (Charlotte-Mecklenburg)	• 3 probationary levels: probationary teacher, career nominee, career candidate • 3 career levels: I, II, III • Advancement based on performance	• Career ladder • Special salary schedule at each level, $2,000 for each successful evaluation • Differenated responsibility	• Probationary teacher: graduation from education program • Career I: 4-6 yr. as probationary teacher & performance evaluation Career II: 3 yr. min. as Career I & performance evaluation Career III: 3 yr. min. as Career II and performance evaluation	• Continuous evaluation with summary at decision points (at 3-5 yrs.) • Competencies evaluated during probation • Performance that reflects goals evaluated at career levels • By teachers, and administrators (including some from other schools)	• $6 mil. or 10% increase in school budget	• Continuous evaluation supplies clinical supervision • Plan will be implemented over many years • Was involved all interest groups in development • Has several career levels • Supported by teachers organizations and community • No quotas • Teachers included in evaluation • Variety of differenciated responsibility for career levels • Dynamic leadership	• Evaluation plans not yet formalized • Too long a probationary period • Complex system difficult to administer • Some evaluators from schools other than teacher's school • Cost may be underestimated

Conclusions: Toward Implementing Teacher Incentive Plans

Although it is too early to predict the long-term outcomes of new incentive plans, especially since many of them are still only proposals, it is not too soon for educators to begin the careful consideration of how rewards for teachers may contribute to educational quality. The climate seems right for educators to thoroughly explore the possible benefits of such programs. Not only does the public respond favorably to the concept of rewards for teachers, educators now realize that without a change in the status quo they will not be able to compete with other professions for competent personnel. They recognize they have a responsibility to take an active role in developing options that will address the issue of teacher quality.

The new proposals for teacher incentive plans, in many cases, appear to be more carefully prepared than proposals in the past. Some have responded directly to the criticisms of past programs by improving systems of evaluation and administration. Several of them provide career ladders and significant pay increments to teachers, two features that may function as real incentives for teachers. The new plans offer more than the simple merit pay provisions that have been tried and failed in the past.

It is clear that a decision to adopt a teacher incentive program should not be made casually. Educators must clearly establish the goals for such a program before starting one. Incentive programs offer no simple solution to the overall problem of teaching quality. For instance, it is unlikely that plans to reward teachers will also serve to attract the brightest students to the teaching profession. Such individuals have never entered teaching in large numbers (Sykes, 1982; Roberson, Keith, & Page, 1983). Perhaps a more

realistic goal for incentive programs is the retention of competent teachers. It is not known whether rewarding teachers will really improve teaching; no one has given us empirical evidence from successful programs. It is important to have realistic goals for incentive programs--they will not fix everything that is wrong with teaching quality. They must be fully integrated into broader plans for training, selecting, and supporting teachers before significant changes are likely to occur.

Educators should not adopt wholesale programs they find elsewhere. They must carefully assess regional and local needs before formulating proposals that will work in their school systems. While teacher incentive plans are neither easy to implement nor a universally applicable solution to the problem of teaching quality, they appear to suggest answers that in the right form and right place are worth trying.

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Appendices

Appendix A - Effects of Single Salary Schedule and Merit Pay in the Achievement of Education Goals

Appendix B - Reasons Why School Systems Discontinued Their Merit Pay Programs for Teachers Between 1938-39 and 1959-60

Appendix C - Reasons Why School Systems Discontinued Their Merit Pay or Incentive Programs

Appendix D - School Systems Reporting a Merit Pay or Incentive Plan for Teachers, by Enrollment Group, 1977-78

Appendix E - Number of Years That Merit Pay or Incentive Plans Were in Operation in Schools That Formerly Had Plans for Teachers

Appendix A

Effects of a Single Salary Schedule and Merit Pay in the Achievement of Educational Goals

Goal	Single Salary Schedule	Merit Pay
Education Quality	• indirect pay-performance link	• closer pay-performance link
	• some evidence that experience and educational attainment relate to student achievement	• little evidence that pay is a prime motivator of teachers, thus approach may not motivate teachers to perform in desired fashion
	• guarantee of annual increments may serve to attract potential candidates to field	• criteria used to judge performance vary widely; many may not relate to performance that affects student achievement and thus plan may not motivate performance that leads to this end
Administration of Pay Plan	• simple, understandable and predictable	• complex, potentially confusing and unpredictable
	• easily measured, objective criteria used as basis for determination of salary levels	• selection of criteria problematic; may not be possible to isolate factors that relate to desired end and are validly and reliably
	• few potential disputes over implementation measured	
	• inexpensive to implement, administer	• likelihood of many disputes over implementation, particularly over rater's judgement on subjective criteria
		• expensive to implement
		• may require additional personnel to administer evaluation system

Teacher-Administration Relations	• nondiscriminatory	• discriminatory, potentially inequitable
	• acceptable to teachers and unions	• unacceptable to teachers and unions
	• non-conflictual	• plan fosters conflict and competition

Appendix - B

Reasons Why 30 School Systems in Cities of 30,000 or More in Population Discontinued Their Merit Pay Programs for Teachers Between 1938-39 and 1959-60*

Reason	Responding School Systems	
	Number	Percent
Evaluations unsatisfactory Difficult to determine who deserved the extra pay; not enough data to support evaluation; no assurance that rating was accurate; evaluation subjective; inconsistency among principals; no satisfactory instrument for evaluation; impartial rating impossible.	12	36%
Dissension created Plan was controversial; hubbub was great; dissatisfaction, friction, ill will, resentment, or misunderstanding among teachers tended to create suspicion and distrust.	12	36
Ratings not based on merit Majority of teachers received top ratings; awards given on basis of seniority; rating was not discriminative, was passed around.	5	17
Sense of injustice created Some felt it was unfair; there was suspicion of discrimination; morale was low; charges of favoritism were made.	4	13
Opposition of teachers organizations	4	13
Quota system restrictive Quota system froze out opportunity for younger teachers, was arbitrary.	3	10
Burden on raters Not sufficient supervision to give assurance of accuracy; too heavy a burden on limited number of people; much record keeping; evaluation process cumbersome.	3	10
Partial financing cause of resentment	2	7
Discontinuance recommended by a survey	2	7
Poorly inaugurated Was imposed without consent of teachers.	2	7

* Totals add to more than 100 percent because some school systems gave more than one response. This table includes only those reasons given by two or more school systems.

SOURCE: Davis, Hazel. *Why Have Merit Plans for Teachers' Salaries Been Abandoned?* Public School Salaries Series. Research Report 1961-R3. Washington, D.C.: National Education Association, Research Division, March 1961, p. 17. Copyright 1961 by the National Education Association. Used with permission.

Appendix C - Reasons Why School Systems Discontinued Their Merit Pay or Incentive Programs*

Reason	Example	School Systems that Discontinued Plans	
		Number	Percent
Administrative Problems	Difficulties in administering the plan, especially in evaluating personnel and applying the criteria fairly	55	23.1%
	Changes in school system leadership/ philosophy	9	3.8
	Plan too subjective	9	3.8
	Dropped at the request of the supervisor/ evaluator	5	2.1
	Plan made no difference in teaching performance/did not accomplish its objectives	5	2.1
	Plan too complicated/poorly established	5	2.1
	Benefits not sufficient to offset the problems caused by the plan	3	1.2
	Plan lacked sufficient structure	3	1.2
	Standards varied from school to school and from level to level	2	0.8
	TOTAL RESPONDING SYSTEMS	96	40.2

*ERS. Merit pay for teachers, 1979.

Appendix C (cont'd)

Reason	Example	School Systems that Discontinued Plans	
		Number	Percent
Personnel Problems	Disliked by teachers/teacher unions	40	16.7%
	Destroyed morale; caused staff dissension/jealousy	34	14.2
	Concept of "merit" lost when virtually all personnel under the plan received merit increases	9	3.8
	Difficulties in distinguishing between "merit" and favoritism	7	2.9
	Feeling that recognition should be passed around so that all would benefit	2	0.8
	TOTAL RESPONDING SYSTEMS	92	38.4
Collective Bargaining	Collective bargaining in general	22	9.2%
	Teachers negotiated the plan out of their contract	19	8.0
	Attorneys advised the school system that merit pay and collective bargaining are incompatible	2	0.8
	TOTAL RESPONDING SYSTEMS	43	18.0

Appendix C (cont'd)

Reason	Example	School Systems that Discontinued Plans	
		Number	Percent
Financial Problem	Lack of funds/too expensive/incentives too low to make the plan work	30	12.6%
	Single salary schedules replaced the merit pay plan	5	2.1
	Plan dropped after a negotiated increase in the salary schedule	3	1.2
	Funds for the plan were negotiated out of the budget by the teachers' union and added to the base salary	2	0.8
	TOTAL RESPONDING SYSTEMS	40	16.7
Other Problems	Merit pay illegal, according to state law and state auditor's office	6	2.5%
	State program that was discontinued (Florida)	3	1.2
	Pilot plan, state-funded, that was discontinued (Texas)	3	1.2
	Public pressure against the plans	2	0.8
	TOTAL RESPONDING SYSTEMS	14	5.9

Appendix D

School Systems Reporting a Merit Pay or Incentive Plan for Teachers, by Enrollment Group, 1977-78*

	School Systems with a Current Plan	
	Number	% of Total Responding Systems
Enrollment Group		
Large (25,000 or more pupils)	2	1.9%
Medium (10,000 to 24,999 pupils)	9	3.5
Small (2,500 to 9,999 pupils)	48	4.6
Very Small (300 to 2,499 pupils)	56	3.9
TOTAL RESPONDING SYSTEMS	115	4.0

*ERS. Merit pay for teachers, 1979.

Appendix E

Number of Years That Merit Pay or Incentive Plans Were in Operation in Responding School Systems That Formerly Had Plans for Teachers*

Number of Years	Responding School Systems	
	Number	Percent
1-2	44	31.7%
3-4	30	21.6
5-6	17	12.2
7-8	10	7.2
9-10	17	12.2
more than 10	21	15.1
TOTAL RESPONDING SYSTEMS	139	100.0

*ERS. Merit pay for teachers, 1979.